

Assembly Bill No. 1821

Passed the Assembly August 24, 2004

Chief Clerk of the Assembly

Passed the Senate August 19, 2004

Secretary of the Senate

This bill was received by the Governor this _____ day of
_____, 2004, at _____ o'clock __M.

Private Secretary of the Governor

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CHAPTER _____

An act to add and repeal Article 5 (commencing with Section 128550) of Chapter 5 of Part 3 of Division 107 of the Health and Safety Code, relating to nursing education.

LEGISLATIVE COUNSEL'S DIGEST

AB 1821, Cohn. Nursing Workforce Education Investment Act.

Under the existing Song-Brown Family Physician Training Act there is created a state medical contract program with accredited medical schools, programs that train primary care physician's assistants, programs that train primary care nurse practitioners, hospitals, and other health care delivery systems to increase the number of students and residents receiving quality education and training in the specialty of family practice and to maximize the delivery of primary care family physician services to specific areas of California where there is a recognized unmet priority need for those services.

Existing law requires the Office of Statewide Health Planning and Development (OSHPD) to maintain a Health Professions Career Opportunity Program designed to increase the number of ethnic minorities in health professional training and increase the number of minority health professionals practicing in health manpower shortage areas.

Existing law recognizes that there is a shortage in supply of registered nurses and, to resolve that problem, requires OSHPD to administer a program of nursing education scholarships for any registered nurse who is enrolled in an accredited nursing program in a college or university in California that is accredited by the Western Association of Schools and Colleges.

This bill would establish the Nursing Workforce Education Investment Act. The act would establish in OSHPD a state nursing contract program with accredited schools and programs that educate and train licensed vocational nurses and registered nurses to increase the supply of nurses in California. The act would require the Director of OSHPD, commencing July 1, 2006, to select and contract on behalf of the state with accredited nursing schools, programs that train nurses, hospitals, and other health care



delivery systems for the purpose of educating nursing students. When determining which nursing programs to fund, the act would require OSHPD to give priority to programs that include training specifically designed for medically underserved multicultural communities, lower socioeconomic neighborhoods, or rural communities, and prepare program graduates for service in those neighborhoods and communities. The act would require the state nursing contract program to be funded under the federal Workforce Investment Act discretionary funding commencing in the 2006–07 fiscal year, and would require OSHPD to enter into an interagency agreement with the Employment Development Department to ensure compliance with the federal act’s requirements. The act would require an independent evaluation of the state nursing contract program to be submitted to the Legislature and Governor by October 1, 2010. The act would not require OSHPD to implement its provisions until funding becomes available. The act would make these provisions inoperative on April 1, 2011, and would repeal them as of January 1, 2012.

The people of the State of California do enact as follows:

SECTION 1. The Legislature finds and declares all of the following:

(a) California and the nation are experiencing a nursing shortage. Nationally, California ranks 49th among the 50 states in proportion of registered nurses per 100,000 population.

(b) The Employment Development Department estimates that California needs 30,000 additional nurses in the next four years, and by 2010, there will be a demand for 109,600 nurses.

(c) Despite the fact that, in 2002, \$24 million of Workforce Investment Act discretionary funding was designated as part of the California Nurse Workforce Initiative to expand nursing education capacity, a program was never implemented.

(d) It is the intent of the Legislature to establish a program modeled after the Song-Brown Family Physician Training Act (Article 1 (commencing with Section 128200) of Chapter 4 of Part 3 of Division 107 of the Health and Safety Code), administered by the Office of Statewide Health Planning and Development, that would expand nursing education opportunities to meet nursing workforce demands, especially in underserved areas of California.



It is the intent of the Legislature that the program target low-income individuals.

SEC. 2. Article 5 (commencing with Section 128550) is added to Chapter 5 of Part 3 of Division 107 of the Health and Safety Code, to read:

Article 5. Nursing Workforce Education Investment Act

128550. This article shall be known and may be cited as the Nursing Workforce Education Investment Act.

128551. There is hereby established in the Office of Statewide Health Planning and Development a state nursing contract program with accredited schools and programs that educate and train licensed vocational nurses and registered nurses to increase the supply of nurses in California.

128552. (a) Commencing July 1, 2006, the Director of the Office of Statewide Health Planning and Development shall select and contract on behalf of the state with accredited nursing schools, programs that train nurses, hospitals, and other health care delivery systems for the purpose of educating nursing students. Contracts shall be awarded to those institutions that best demonstrate the ability to provide quality education and training and to retain students and residents in specific areas of California where there is a recognized unmet priority need for nurses. Contracts shall be based upon the recommendations of the office and in conformity with the contract criteria and program standards established by the office.

(b) For purposes of this section, “quality education” means educational programs that may include low attrition rates, high pass rates on the National Council Licensure Examination (NCLEX) for registered nurses and practical or vocational nurses, and adequate supplies and equipment available to assist students in meeting program objectives.

128553. When determining the funding of programs under this article, the office shall give priority to programs with the following attributes:

(a) The program is located in a medically underserved area.

(b) The program includes training specifically designed for medically underserved multicultural communities, lower socioeconomic neighborhoods, or rural communities, and



prepares program graduates for service in those neighborhoods and communities.

(c) The program educates students participating in a loan repayment program awarded pursuant to the Health Professions Education Fund, created by Section 128355.

(d) The program includes a written agreement of affiliation or association between a hospital and an accredited nursing school program.

128554. (a) The office, in consultation with the Board of Registered Nursing and the Board of Vocational Nursing and Psychiatric Technicians, shall establish contract criteria and a single per-student capitation formula that shall determine the amounts to be transferred to institutions receiving contracts for educating and training nursing students pursuant to this article, except as otherwise provided in subdivision (b). Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of the single capitation formula. The director may grant the waiver in exceptional cases upon a clear showing by the institution that a waiver is essential to the institution's ability to provide a program of a quality comparable to those provided by institutions that have not received waivers, taking into account the public interest in program cost-effectiveness. Recipients of funds appropriated by this article shall, at a minimum, maintain the level of expenditure for nursing training that was provided by the recipients during the 2003–04 fiscal year. Funds appropriated under this article shall be used to develop new programs or to expand existing programs for the purpose of increasing the number of students who can be educated by the program, and shall not replace funds supporting current nursing training programs. Institutions applying for or in receipt of contracts pursuant to this article may appeal to the director for waiver of this maintenance of effort provision. The director may grant the waiver if he or she determines that there is reasonable and proper cause to grant the waiver.

(b) The office, in consultation with the Board of Registered Nursing and the Board of Vocational Nursing and Psychiatric Technicians, shall review and make recommendations to the director concerning the funding of special programs that may be funded on other than a capitation rate basis. These special programs may include the development and funding of



undergraduate nursing education programs and programs that link training programs and medically underserved communities in California that will result in the location and retention of training program graduates in those communities. These special programs also may include the development phase of new nursing programs. The office shall establish standards and contract criteria for special programs recommended under this subdivision.

128555. (a) The state nursing contract program established by this article shall be funded under the federal Workforce Investment Act (29 U.S.C. Sec. 2801 et seq.) discretionary funding commencing in the 2006–07 fiscal year. Nothing in this article shall be construed to prohibit the program established by this article from receiving startup or ongoing financial support from private or other funding sources. The provisions of this article shall not result in a reduction in funding to entities receiving funding through discretionary Workforce Investment Act funds in the 2003–04 or 2004–05 fiscal year. To ensure compliance with the federal act’s requirements, the office shall enter into an interagency agreement with the Employment Development Department.

(b) The Legislature intends that the state nursing contract program be professionally and administratively accountable so that the maximum cost-effectiveness will be achieved in meeting professional training standards.

(c) The office shall comply with monitoring and oversight requirements of the Employment Development Department in order to ensure that the state nursing contract program is consistent with California’s state performance requirements pursuant to the federal Workforce Investment Act (29 U.S.C. Sec. 2801 et seq.).

(d) The office, in coordination with the Employment Development Department, shall ensure that individuals whose educational opportunities are funded through the state nursing contract program receive additional support services through local one-stop career centers, as outlined in the California Workforce Investment Act.

(e) It is the intent of the Legislature that the office work with local Workforce Investment Boards in the administration of this program.

(f) An independent evaluation of the state nursing contract program shall be submitted to the Legislature and Governor by



October 1, 2010. The evaluation shall identify to what extent new nursing slots were created, the number of new graduates from these slots, and sustainability of the program.

128556. This article shall become inoperative on April 1, 2011, and, as of January 1, 2012, is repealed, unless a later enacted statute, that becomes operative on or before January 1, 2012, deletes or extends the dates on which it becomes inoperative and is repealed.

128557. The office shall not be required to implement this article until funding becomes available.



Approved _____, 2004

Governor

